

# **General Government Accounts**

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## **Mission Statement**

To budget for services provided on a citywide basis and not directly associated with an operating department or office.

## **Strategic Plan Accomplishments and 2005 Priorities**

### **Major Accomplishments**

- Working with the City's labor union representatives, city staff have managed the financial control of the costs related to city employee fringe benefits, including pensions, insurance, workers' compensation and severance pay.
- The audit of the City's 2003 financial records is complete, and the annual financial report has been prepared, printed and distributed.
- Tort claims levied against the City and approved by the city council have been managed, and claimants paid from department budgets. Tort budgets are now distributed to departments, and a central budget no longer exists.
- The City's interests and share of costs for the operation of city hall, including security issues in the aftermath of 9/11/01, have been managed.
- The citizen participation program and the neighborhood crime prevention programs were funded.
- Election services to the citizens of Saint Paul were provided.

### **2005 Priorities**

- The city council staff manage the Civic Organization Partnership program and the budget for the Charter Commission.
- The City Attorney's Office oversees the Tort Liability budget and administers the budget for any use of law firms and expert legal service outside of the city attorney staff.
- The Citizen Services Office is responsible for the elections services budget.
- The Office of Financial Services works with the budgets for pensions, severance pay, state auditor, the contribution to the capital budget, the Capital Improvement Budget committee, financial forms, employee parking, and refunds.
- Mayor's Office staff controls the budget for the City's municipal memberships and dues.
- The Real Estate unit of Public Works deals with exempt and forfeited property assessments and the service and operations of the city hall building.
- Human Resources (risk management) leads the citywide effort to control the costs associated with workers compensation, employee and retiree health insurance, torts, and unemployment compensation, and manages the surety bonds budget. For 2005, the accounting approach for workers' compensation costs will change from an indirect approach to a direct one. There will no longer be a central budget for workers' compensation, but rather the responsibility and budgets will be distributed to departments.
- The Planning and Economic Development staff directs the budget for Citizen Participation and the Neighborhood Crime Prevention program.

# General Government Accounts

Department/Office Director: **MATTHEW G SMITH**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<b><u>Spending By Unit</u></b>							
001 GENERAL FUND	7,935,087	7,334,618	5,962,766	6,352,992	6,273,396	-79,596	310,630
720 DEBT-CAPITAL IMPROVEMENT FUND	129,322						
Total Spending by Unit	<b>8,064,409</b>	<b>7,334,618</b>	<b>5,962,766</b>	<b>6,352,992</b>	<b>6,273,396</b>	<b>-79,596</b>	<b>310,630</b>
<b><u>Spending By Major Object</u></b>							
SALARIES	103,227	72,202	70,594	4,954	4,954		-65,640
SERVICES	2,491,954	2,435,702	2,765,259	2,729,495	2,614,432	-115,063	-150,827
MATERIALS AND SUPPLIES	98,663	57,708	15,469	26,404	26,404		10,935
EMPLOYER FRINGE BENEFITS	47,200	-25,003	-65,102	80,134	80,134		145,236
MISC TRANSFER CONTINGENCY ETC	3,653,906	3,498,994	3,176,546	3,512,005	3,547,472	35,467	370,926
DEBT	1,090,338	939,892					
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	579,121	355,123					
Total Spending by Object	<b>8,064,409</b>	<b>7,334,618</b>	<b>5,962,766</b>	<b>6,352,992</b>	<b>6,273,396</b>	<b>-79,596</b>	<b>310,630</b>
Percent Change from Previous Year		<b>-9.0%</b>	<b>-18.7%</b>	<b>6.5%</b>	<b>-1.3%</b>	<b>-1.3%</b>	<b>5.2%</b>
<b><u>Financing By Major Object</u></b>							
GENERAL FUND	7,935,087	7,334,618	5,962,766	6,352,992	6,273,396	-79,596	310,630
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	116,910	34,435					
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE		4,671					
TRANSFERS							
FUND BALANCES							
Total Financing by Object	<b>8,051,997</b>	<b>7,373,724</b>	<b>5,962,766</b>	<b>6,352,992</b>	<b>6,273,396</b>	<b>-79,596</b>	<b>310,630</b>
Percent Change from Previous Year		<b>-8.4%</b>	<b>-19.1%</b>	<b>6.5%</b>	<b>-1.3%</b>	<b>-1.3%</b>	<b>5.2%</b>

# Budget Explanation

## Major Changes in Spending and Financing

### Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were then made to the base. Specifically:

- adjusting the 2004 estimates for financing for pension aids to bring them to an expected 2005 level, and
- establishing the central reserve for workers' compensation costs for small offices with no consistent history of workers' compensation claims, and
- employee benefit costs were projected, included in the base, and then considered in the approach that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process.

### Mayor's Recommendations

The proposed general fund budget for the General Government Accounts for 2005 is \$6,353,991, and is up \$331,770, or 5.5% from the adopted 2004 budget of \$6,022,221. The General Government Accounts have no special fund budgets.

Some notable changes recommended by the Mayor include:

- applying funding from the general fund and the Community Development Block grant to increase the district councils' budget as suggested by the proposal submitted by the Ad Hoc Committee on Citizen Participation,
- removing the one-time 2004 budget for the initial assessment and start up design work related to a 311 citizen response phone system for Saint Paul,

### Mayor's Recommendations (continued)

- adding to the Exempt and Forfeited Property Assessments budgets to cover anticipated city assessment rate increases related to lighting,
- modifying the municipal memberships budget for some minor changes in dues, and
- including the normal annual increase in the elections contract with Ramsey County.

### City Council Actions

The city council adopted the General Government Accounts budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- providing for a contribution to the Childrens' Collaborative program,
- rolling the one-time 2004 budget for the initial assessment and start up design work related to a 311 citizen response phone system for Saint Paul over into the 2005 budget, and
- reducing the budget for City Hall and Courthouse operations to reflect the space shift from the City (Information and Complaint) to the County (Family Courts).

The City Council made these further changes:

- added funding to the Non Profit Performance Contract Program for a new function (Southern Minnesota Regional Legal Services HALO) and a cost of living adjustment.

The 2005 adopted budget is \$6,273,396 for the general fund, and nothing in special funds.